

Karen M. Banoff
KMB Consulting, LLC
(203) 459-1601 Phone/Fax

facsimile transmittal

To: Commissioner Vogel Fax: 860-418-7053
From: Karen M. Banoff Date: 5/5/2005
Re: Letter of Intent Pages: 15
CC:

☐ Urgent☐ For Review☐ Please Comment☐ Please Reply☐ Please Recycle

Notes:

On behalf of St. Vincent's Medical Center and Bridgeport Hospital, please find the attached Letter of Intent for a joint PET/PET-CT program.

A hard copy will be delivered tomorrow, May 6, 2005.

Thank you for your time and attention.

MAY/05/2005/THU 10:29 AM

P.002/012

St. Vincent's
Medical Center

RECEIVED

2005 MAY -5 PM 3:21

CONNECTICUT OFFICE OF
HEALTH CARE ACCESS

May 5, 2005

Honorable Cristine Vogel
Commissioner
Office of Health Care Access
410 Capitol Avenue, MS#13HCA
P.O. Box 340308
Hartford, CT 06134-0308

Re: Letter of Intent
Saint Vincent's Medical Center and Bridgeport Hospital Change of Ownership
PET/PET-CT

Dear Commissioner Vogel:

Bridgeport Hospital and St. Vincent's Medical Center are pleased to submit the attached Letter of Intent to create a joint venture for the delivery of PET and PET-CT services to the greater Bridgeport community.

Currently both hospitals provide PET scanning services through a shared mobile unit. The first phase of this project will involve combining the existing mobile services into a newly formed company. The second phase would be the establishment of a single fixed site PET-CT. This effort will improve access, streamline operations, reduce duplicate functions and ultimately reduce the costs of providing this service to the community.

Bridgeport Hospital and St. Vincent's Medical Center are firmly committed to offering this vital diagnostic service to all patients in need and believe our combined efforts are the best approach to properly planning for PET and PET-CT services. We are excited about the proposed joint venture and hope this effort can serve as a model for others.

We look forward to working with you and OHCA staff on the Certificate of Need application. Thank you for your time and attention.

Sincerely,

Robert Trefry
President & Chief Executive Officer
Bridgeport Hospital


Susan Davis
President & Chief Executive Officer
St. Vincent's Medical Center

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CONNECTICUT OFFICE OF
HEALTH CARE ACCESS



**BRIDGEPORT
HOSPITAL**
YALE NEW HAVEN HEALTH

May 5, 2005

Honorable Cristine Vogel
Commissioner
Office of Health Care Access
410 Capitol Avenue, MS#13HCA
P.O. Box 340308
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Robert Trefry
President & Chief Executive Officer
Bridgeport Hospital

Susan Davis
President & Chief Executive Officer
St. Vincent's Medical Center

267 Grant Street
P.O. Box 5000
Bridgeport, CT 06610-0120
203.384.3000

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CONNECTICUT OFFICE OF
HEALTH CARE ACCESS

Page 1

State of Connecticut **Office of Health Care Access** **Letter of Intent/Waiver Form** **Form 2030**

All Applicants must complete a Letter of Intent (LOI) form prior to submitting a Certificate of Need application, pursuant to Sections 19a-638 and 19a-639 of the Connecticut General Statutes and Section 19a-643-79 of OHCA's Regulations. Please submit this form to the Commissioner of the Office of Health Care Access, 410 Capitol Avenue, MS# 13HCA, P.O. Box 340308, Hartford, Connecticut 06134-0308.

SECTION I. APPLICANT INFORMATION

If there are more than two Applicants, please attach a separate sheet of paper and provide additional information in the format below.

	Applicant One	Applicant Two
Full legal name	Bridgeport Hospital	St. Vincent's Medical Center
Doing Business As	(New Joint Venture Company Under Development)	(New Joint Venture Company Under Development)
Name of Parent Corporation	Bridgeport Hospital & Healthcare Services, Inc.	St. Vincent's Health Services Corporation
Mailing Address, if Post Office Box, include a street mailing address for Certified Mail	267 Grant Street Bridgeport, CT 06610	2800 Main Street Bridgeport, CT 06606
Applicant type (e.g., profit/non-profit)	Non-profit	Non-profit
Contact person, including title or position	Karen Banoff Principal	Karen Banoff Principal
Contact person's street mailing address	KMB Consulting, LLC 91 Old Hollow Road Trumbull, CT 06611	KMB Consulting, LLC 91 Old Hollow Road Trumbull, CT 06611
Contact person's phone #, fax # and e-mail address	(203) 459-1601 (PH/Fax) kbanoff@kmbconsult.com	(203) 459-1601 (PH/Fax) kbanoff@kmbconsult.com

SECTION II. GENERAL APPLICATION INFORMATION

a. Proposal/Project Title:

Change of ownership for PET-CT Service at Bridgeport Hospital and St. Vincent's Medical Center

b. Type of Proposal, please check all that apply:

☐ Change in Facility (F), Service (S) or Function (Fnc) pursuant to Section 19a-638, C.G.S.:

☐ New (F, S, Fnc)

☐ Replacement

☐ Additional (F, S, Fnc)

☐ Expansion (F, S, Fnc)

☐ Relocation

☐ Service Termination

☐ Bed Addition

☐ Bed Reduction

☒ Change in Ownership/Control

☐ Capital Expenditure/Cost, pursuant to Section 19a-639, C.G.S.:

☐ Project expenditure/cost cost greater than \$ 1,000,000

☐ Equipment Acquisition greater than \$ 400,000

☐ New

☐ Replacement

☐ Major Medical

☐ Imaging

☐ Linear Accelerator

☐ Change in ownership or control, pursuant to Section 19a-639 C.G.S., resulting in a capital expenditure over \$1,000,000

c. Location of proposal (Town including street address):

2800 Main Street, Bridgeport, CT and 267 Grant Street, Bridgeport, CT

d. List all the municipalities this project is intended to serve:

The municipalities include: Ansonia, Bethel, Bridgeport, Derby, Easton, Fairfield, Milford, Monroe, Newtown, Orange, Redding, Seymour, Shelton, Stratford, Trumbull, Weston, Westport and Wilton.

e. Estimated starting date for the project: November 1, 2005

f. Type of project: 21 (Fill in the appropriate number(s) from page 7 of this form)

Number of Beds (to be completed if changes are proposed)

Type	Existing Staffed	Existing Licensed	Proposed Increase (Decrease)	Proposed Total Licensed
N/A				

SECTION III. ESTIMATED CAPITAL EXPENDITURE INFORMATION

- a. Estimated Total Capital Expenditure: **\$0**
- b. Please provide the following breakdown as appropriate:

Construction/Renovations	
Medical Equipment (Purchase)	
Imaging Equipment (Purchase)	
Non-Medical Equipment (Purchase)	
Sales Tax	
Delivery & Installation	
Total Capital Expenditure	
Fair Market Value of Leased Equipment	
Total Capital Cost	

Major Medical and/or Imaging equipment acquisition:

Equipment Type	Name	Model	Number of Units	Cost per unit

Note: Provide a copy of the contract with the vendor for major medical/imaging equipment.

- c. Type of financing or funding source (more than one can be checked):

- ☐ Applicant's Equity ☐ Lease Financing ☐ Conventional Loan
☐ Charitable Contributions ☐ CHEFA Financing ☐ Grant Funding
☐ Funded Depreciation ☐ Other (specify): _____

SECTION IV. PROJECT DESCRIPTION

Please attach a separate 8.5" X 11" sheet(s) of paper and provide no more than a 2 page description of the proposed project, highlighting all the important aspects of the proposed project. Please be sure to address the following (if applicable):

1. Currently what types of services are being provided? If applicable, provide a copy of each Department of Public Health license held by the Petitioner.
2. What types of services are being proposed and what DPH licensure categories will be sought, if applicable?
3. Who is the current population served and who is the target population to be served?
4. Identify any unmet need and how this project will fulfill that need.
5. Are there any similar existing service providers in the proposed geographic area?
6. What is the effect of this project on the health care delivery system in the State of Connecticut?
7. Who will be responsible for providing the service?
8. Who are the payers of this service?

If requesting a Waiver of a Certificate of Need, please complete Section V.

SECTION V. WAIVER OF CON FOR REPLACEMENT EQUIPMENT

I may be eligible for a waiver from the Certificate of Need process because of the following:
(Please check all that apply)

- ☐ This request is for Replacement Equipment.
 - ☐ The original equipment was authorized by the Commission/OHCA in Docket Number: _____.
 - ☐ The cost of the equipment is not to exceed \$2,000,000.
 - ☐ The cost of the replacement equipment does not exceed the original cost increased by 10% per year.

Please complete the attached affidavit for Section V only.

AFFIDAVIT

Applicant: _____

Project Title: _____

I, _____
(Name) (Position -- CEO or CFO)

of _____ being duly sworn, depose and state that the information provided in this CON Letter of Intent/Waiver Form (2030) is true and accurate to the best of my knowledge, and that _____ complies with the appropriate and
(Facility Name)
applicable criteria as set forth in the Sections 19a-630, 19a-637, 19a-638, 19a-639, 19a-486 and/or 4-181 of the Connecticut General Statutes.

Signature_____
Date

Subscribed and sworn to before me on _____

Notary Public/Commissioner of Superior Court

My commission expires: _____

Project Type Listing

Please indicate the number or numbers of types of projects that apply to your request on the line provided on the Letter of Intent Form (Section II, page 2).

Inpatient

1. Cardiac Services
2. Hospice
3. Maternity
4. Med/ Surg.
5. Pediatrics
6. Rehabilitation Services
7. Transplantation Programs
8. Trauma Centers
9. Behavioral Health (Psychiatric and Substance Abuse Services)
10. Other Inpatient

Outpatient

11. Ambulatory Surgery Center
12. Birthing Centers
13. Oncology Services
14. Outpatient Rehabilitation Services
15. Paramedics Services
16. Primary Care Clinics
17. Urgent Care Units
18. Behavioral Health (Psychiatric and Substance Abuse Services)
19. MRI
20. CT Scanner
21. PET Scanner
22. Other Imaging Services
23. Lithotripsy
24. Mobile Services
25. Other Outpatient
26. Central Services Facility

Non-Clinical

27. Facility Development
28. Non-Medical Equipment
29. Land and Building Acquisitions
30. Organizational Structure (Mergers, Acquisitions, Affiliations, and Changes in Ownership)
31. Renovations
32. Other Non-Clinical

PROJECT DESCRIPTION

Introduction

St. Vincent's Medical Center and Bridgeport Hospital propose to establish a joint venture limited liability company ("Joint Venture LLC") to offer PET and PET-CT scanning services to residents and referring physicians in the proposed service area. The proposed service will be an integral diagnostic component of the comprehensive oncology and cardiac programs currently offered by the two hospital applicants. The proposed joint venture will consist of two phases. The first phase will combine the mobile PET-CT services provided by the two hospitals into a single coordinated service operated and managed by a single combined entity. The second phase will involve requesting OHCA approval to convert the two mobile services into a single shared fixed-site PET-CT. Ownership of the Joint Venture LLC will initially be the two hospitals but is planned to be shared with the physician groups providing radiology services to the two hospitals. Discussions are currently underway with Advanced Radiology Consultants and Fairfield County Radiology Associates, LLC to develop a mutually beneficial model to provide cost-effective and easily accessible PET-CT services to the greater Bridgeport area.

Background

Currently St. Vincent's Medical Center and Bridgeport Hospital offer PET services once a week via a mobile unit through their participation in the Fairfield County Mobile PET Collaborative ("the Collaborative"). The Collaborative is an informal collaboration formed with the participation of OHCA, to provide PET services to those patients seeking care from one of the six Fairfield County hospitals. The Collaborative was officially recognized pursuant to the Agreed Settlement issued by OHCA on June 11, 2001 (Docket Number 00-509) and received approval to use one mobile PET scanner. In August of 2003, the Collaborative received OHCA approval (Docket Number: 02-584) to add a second PET scanner to permit two hospitals to offer the service on the same day of the week and to provide the ability for hospitals to add an additional day of service when required. In addition, OHCA also approved the upgrade of the two mobile PET scanners to PET-CT. Collaborative members are currently negotiating vendor contract terms to initiate PET-CT services. Both applicant hospitals have been providing PET services since the Fall of 2002. Both hospitals are licensed by the Department of Public Health. A copy of each hospital's license is included in *Attachment 1*.

Proposed Service

The purpose of the joint venture is to improve access, minimize duplicative functions, streamline operations and offer high quality PET and PET-CT services. The intent is to ultimately establish a single fixed PET-CT site which will be conveniently located and easily accessed by the majority of patients who currently seek care from the applicants. The first phase of the proposed service will be the establishment of the Joint Venture LLC which will offer PET and soon PET-CT services at both hospitals on two different days during the week. It is intended that the Joint Venture LLC will be expanded to include the two radiology groups previously mentioned. The two hospitals plan to proceed with the upgrade to PET-CT via the Collaborative and will work jointly with the mobile equipment vendor once the Joint Venture LLC is established. The Joint Venture LLC will be Medicare-certified as an Independent Diagnostic Testing Facility ("IDTF"). Once the Joint Venture LLC is established and operational, a new location will be identified at which to establish a fixed PET-CT scanner. At

that time, the applicants will request CON approval from OHCA for the new equipment and location.

Current and prospective patients to be served include residents of the proposed service area towns who require either a PET or PET-CT scan for oncology, cardiac or neurological indications. This service is not being proposed to meet an unfulfilled need, but rather to offer a more cost effective, easily accessible and efficient PET-CT service for the greater Bridgeport community.

Advanced Radiology Consultants is the only other provider of PET services in the proposed service area. There are no PET-CT providers at this time in the proposed service area, however, under Docket Number: 02-545, a PET-CT serving only cardiac patients was approved in Trumbull, Connecticut. This facility has not yet been established and has requested a modification to its CON (Docket Number: 05-25546 MDF) to obtain a one year time extension.

The effect of the proposed service on the health care delivery system in the State of Connecticut will be positive. With the establishment of a single fixed PET-CT site serving the patients of both Bridgeport hospitals, duplicative functions will be minimized, staffing efficiencies gained, centralized scheduling established and better access and coordinated care offered to patients and referring physicians.

As previously stated, the Joint Venture LLC will provide PET and PET-CT services and ownership will initially consist of the two applicants but may also include the two radiology groups previously mentioned. The parties are currently negotiating an Operating Agreement and a Management Services Agreement.

The payors for this service include most third party payors including, Medicare, Medicaid, commercial health insurance companies as well as patients.

The proposed service is a unique collaboration by the two Bridgeport hospitals and potentially two physician groups to offer cost-effective, high quality care. Such an effort is unprecedented in the Bridgeport area and could likely serve as an innovative model of care to improve health care delivery in the state.

010

ATTACHMENT I

05/05/2005 12:58 FAX 203 384 3751

BPT HOSP ADMIN

0000/000

STATE OF CONNECTICUT**Department of Public Health**

011

LICENSE**License No. 0040****General Hospital**

In accordance with the provisions of the General Statutes of Connecticut Section 19a-493:

Bridgeport Hospital Inc. of Bridgeport, CT, d/b/a Bridgeport Hospital is hereby licensed to maintain and operate a General Hospital.

Bridgeport Hospital is located at 267 Grant Street, Bridgeport, CT 06610

The maximum number of beds shall not exceed at any time:

30 Bassinets

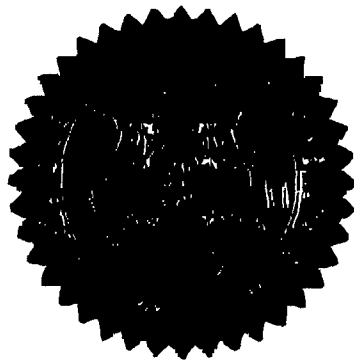
395 General Hospital beds

This license expires March 31, 2006 and may be revoked for cause at any time.

Dated at Hartford, Connecticut, April 1, 2004. RENEWAL.

Satellites

Geriatric Partial Hospital, 305 Boston Avenue, Stratford, CT
Child Partial Hospital, 305 Boston Avenue, Stratford, CT
Bridgeport Hospital Primary Care Center, 226 Mill Hill Avenue, Bridgeport, CT
Bridgeport Hospital Industrial Medicine Center, 226 Mill Hill Avenue, Bridgeport, CT
Psychiatric Adult Partial Hospital Program, 305 Boston Avenue, Stratford, CT
Park City OB-GYN Clinic, 64 Black Rock Avenue, Bridgeport, CT



J Robert Galvin M.D., M.P.H.

J. Robert Galvin, M.D., M.P.H.,
Commissioner

MAY/05/2005/THU 10:29 AM

P. 003/012

STATE OF CONNECTICUT

012

Department of Public Health

LICENSE

License No. 0057

General Hospital

In accordance with the provisions of the General Statutes of Connecticut Section 19a-493:

St. Vincent's Medical Center of Bridgeport, CT, d/b/a St. Vincent's Medical Center is hereby licensed to maintain and operate a General Hospital.

St. Vincent's Medical Center is located at 2800 Main Street, Bridgeport, CT 06606

The maximum number of beds shall not exceed at any time:

47 Bassinets

397 General Hospital beds

This license expires September 30, 2005 and may be revoked for cause at any time.

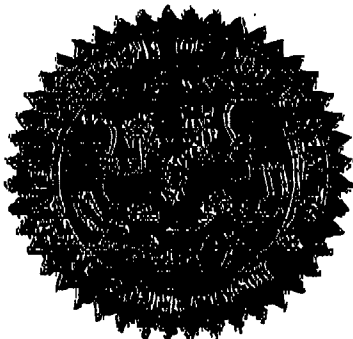
Dated at Hartford, Connecticut, October 1, 2003.

License revised to reflect:

Change of Satellite Address effective 9/24/04

Satellites

*St. Vincent's Immediate Health Care, 4600 Main Street, Bridgeport, CT
St. Vincent's Immediate Health Care, 1055 Post Road, Fairfield, CT
St. Vincent's Immediate Health Care, 15 Armstrong Road, Shelton, CT
St. Vincent's Medical Center, Neighborhood At St. Joseph's Center, 43 Madison Avenue, Bridgeport, CT
Family Health Center, 760-762 Lindley Street, Bridgeport, CT



J. Robert Galvin M.D., M.P.H.

J. Robert Galvin, M.D., M.P.H.
Commissioner